Details of overcharging for bulk drugs under the DPEA

*394. SHRI DHARNIDHAR BASUMATARI:

DR. (SHRIMATI) SAROJINI MAHISHI:†

Will the Minister of INDUSTRY be pleased to state:

(a) what are the names of the bulk drugs and formulations apart from those which were the subject matter of litigation in various courts for which details in regard to overcharging was asked for under Drugs Prices Equalisation Account;

(b) what are the names of drug companies which provided the details; and

(c) what steps have been taken to get the details from other drug companies and by when the same will be collected and amounts due assessed?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) to (c) Statement is laid on the Table of the Rajya Sabha.

Statement

(a) Information to the extent available is given in the enclosed Annexure-I (*See* below)

(b) and (c) To the extent information is available details are given in the enclosed Annexure-II (*See* below)

Notices have been issued.

Annexure-I

Sl. No.	Name of the Bulk Drug
1	2
1.	Rifampicin
2.	Dexamethazone
3.	Clofazamine
4.	Doxycylcline
5.	Martenidazole
6.	Ampicillin
7.	Gentamycin
8.	Dipyridamol
9.	Salbutamol
10.	Flucimolone
11.	Naproxen
12.	Chioroquine
13.	Aspirin
14.	Dapsone

†The question was actually asked on the floor of the House by Dr. (Shrimati) Sarojini Mahishi.

Annexure-II

Sl. No.	Name of the Company
1	2
	Rifampicin
1.	Biochem Pharmaceuticals
2.	Lyka Labs
3.	Astra IDL Ltd.
4.	Micro Labs
5.	Themis Chemicals Ltd.
6.	Alembic Chemicals Labs.
7.	Bombay Drug House
8.	Pharmed Pvt. Ltd.
9.	Dolpphin Labs.
10.	Albert David Ltd.
11.	Pharmaceuticals & Chemicals Ind.
12.	Cadila Labs (P) Ltd.

1	2
13.	Sarabhai Chemicals
14.	Lupin Labs
15.	Ranbaxy Labs.
16.	Wallace Pharmaceuticals
17.	Ethico Drugs & Chem. Mfg. Co.,
	Diphyridamol
1.	M/s. German Remedies
	Gentamycin
1.	M/s. Fulford India Ltd. (Court case)
2.	M/s. Biochem Pharma Ltd.
3.	M/s. Lyka Labs. Ltd.

DR. (SHRIMATI) SAROJINI MAHISHI: Sir, in the statement 14 bulk drugs have been listed and also 17 companies have been mentioned. The answer is very inadequate and unsatisfactory. Sir, in the Rajya Sabha, the Minister had in answer to an earlier question No. 965 dated 25th November, 1985, stated that some instances of formulators procuring bulk drugs at prices lower than the prices allowed in the formulations had come to the notice of the Government and a large number of notices had been issued to them under DPCO, 1979. Action was already on to recover the amount in accordance with the procedure of law.

Then again another question No. 646 was answered on 1st August, 1988. Another question No. 626 was answered on 1st of August, 1988. In all these answers to questions, they say that the amount is recoverable from these companies under para 7 of DPCO, 1979 and to the extent information is available details are given in the Annexure. Notices have been served on all these people and the amount recoverable on account of these is about 11 crores and odd. No amount has so far been recovered.

Again in reply to an Unstarred Question No. 1601, answered on 8th August, 1988, it has been stated that no amount (except Rs. 50 lakhs paid by M/s Fullford (India) as directed by the court) has so far been received as the parties are disputing the amounts.

Sir, no effort is being made on the part of the Government to recover the money. The money due to be recovered is to the tune of Rs. 800 crores and this money has got to be put into the Equalisation Fund. The new manufacturers of drugs find difficulties in the initial stages and their prices are high. Under the circumstances the Equalisation Fund is used to help those people also. When all these things are pooled, the difference between the pooled price and the retention price is cut off and the consumer's interests are guarded. But this money has not been recovered at all. In the 1979 Price Control Order, it has been mentioned that the Equalisation Fund has got to be created and also the new drug manufacturers who come into the field have got to be protected and the consumers interests have also got to be protected. Till now they have collected hardly 50 lakhs or so. Eight hundred crores are to be recovered. I would like to know what is the *modus operandi* for recovering the amount and how this money is going to be utilised. It has not been utilised all these years.

Another question which is very important is after 1987 they have not said what is going to be done with the over-charged amount also? I would like to know the details from the Minister.

SHRI J. VENGAL RAO: In this Session, already I have answered the same question, Sir. As the Member has mentioned here there are nearly 14 bulk drugs but the number of formualtions are many more. As the hon. Member has mentioned, it was pending in the High Court. The High Court gave judgement in their favour. Then we appealed in the Supreme Court. After the Supreme Court judgement we have issued notices to these companies. We collected nearly 5 crores and odd.... Please hear me. After that you can put your supplementary. Sir,

they are disputing about the balance amount. That is why we have appointed a high level Committee to finalise the amounts and after that we will certainly do this. We have already issued...

DR (SHRIMATI) SAROJINI MAHISHI: Sir, this is repetition of the earlier answer.

MR. CHAIRMAN: High level Committee was not mentioned there.

DR. (SHRIMATI) SAROJINI MAHISHI: I would like to know only two things. What active steps are being taken to recover the amount and to see that the Equalisation Fund is also created and properly utilised to bring about harmony between the consumer and the producer.

Secondly, after 1987, what are they going to go with the over-charged amount-whether they are going to recover it or they are going to regularise it? I would like to know these two things.

SHRI J. VENGAL RAO: We will certainly recover it. We are not going to regularise it. We will utilise the amount for public sector units. Recently—two days back—I appointed a high level Committee which will go into thees details and we will certainly recover the amount.

MR. CHAIRMAN: You will take all steps to recover the amount.

DR. (SHRIMATI) SAROJINI MAHISHI: Why should you not constitute a committee consisting of high level technicians and also Members of Parliament?

MR. CHAIRMAN: He has already constituted a Committee.

SHRI J. VENGAL RAO: I constituted a Committee two days back. One thing I would like to mention. This figure of 800 crores is an exaggerated figure; it is not the correct figure.

DR. (SHRIMATI) SAROJINI MAHISHI: May be it is Rs. 759 crores. I have nothing to say about it.

SHRI GHULAM RASOOL MATTO: But his assurance is there.

MR. CHAIRMAN: Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Accidents due to Leakages in LPG Cylinders

*381. SHRI CHATURANAN MISHRA:
SHRI GURUDAS DAS GUPTA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that almost every day incidents of leakage or explosion of LPG cylinders are being reported resulting in deaths in certain cases;

(b) if so, whether Government have ever conducted any thorough inquiry into such incidents to fix the responsibility therefor;

(c) if so, what are the details thereof;

(d) whether there is any provision to pay compensation to the persons killed/seriously injured in such accidents; and

(e) if not, whether Government would consider to make provision for compensation in such cases?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI BRAHM DUTT): (a) Reports of LPG-related accidents appear in the press. Some of the accidents result in fatalities also.

(b) and (c) Each LPG accident is enquired into by the oil company concerned and a report sent to the Chief Controller of Explosives. Remedial action, as necessary, is taken in the light of these reports.

(d) and (e) LPG distributors have an Insurance scheme covering third party risk insurance in respect of their consumers. Claims relating to LPG accidents are settled between the consumers, the distributors and the insurance companies.